

**MAINE REVENUE SERVICES**  
(FORMERLY BUREAU OF TAXATION)  
**SALES/EXCISE TAX DIVISION**  
**RULE NO. 318**

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**INSTRUMENTALITIES OF INTERSTATE OR FOREIGN COMMERCE**

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**SUMMARY:** Interprets the Sales and Use Tax Law as it pertains to the exemption provisions of vehicles, railroad rolling stock, aircraft or watercraft, used as instrumentalities of interstate or foreign commerce.

**.01    Leased Property.**

Personal property is not "used as an instrumentality of interstate or foreign commerce" by a person who leases that property to another person who, in turn, uses that property as an instrumentality of interstate or foreign commerce.

**.02    Intrastate and Local Operations.**

Personal property is not "used as an instrumentality of interstate or foreign commerce" when carrying only cargo which both originates and terminates within the State of Maine.

**.03    80% Use.**

"Time" means a day or portion of a day during which the property is actually being used to carry a cargo or being dispatched to a specific location for purposes of being loaded with a cargo.

NOTE: A tractor and trailer carried cargo or were enroute to be loaded with cargo during 500 days of the 2-year period. During 400 of those days the cargo was in interstate or foreign transit. The tractor and trailer meet the 80% use requirement.

**.04    Certification of Exemption.**

**A. Purchases from Dealers in Maine.** Where the sales of vehicles, railroad rolling stock, aircraft or watercraft is claimed to be exempt as an instrumentality of interstate or foreign commerce, the seller is required to file, with his sales tax report on which the sale is claimed to be exempt, an affidavit properly completed and signed by the seller and the purchaser as, prescribed by the State Tax Assessor.

**B. Purchases at Casual Sale or Outside the State of Maine.** Where vehicles or aircraft are purchased at casual sale or from dealers outside the state, the purchaser will be required to indicate on the motor vehicle use tax certificate that the property qualifies for

exemption as an instrumentality of interstate or foreign commerce. The Bureau of Taxation may subsequently require the purchaser to complete and submit an affidavit of exemption. Failure to return a properly completed affidavit of exemption when requested will subject the purchaser to the Maine use tax.

**AUTHORITY:** 36 M.R.S.A. Sec. 112.1

**EFFECTIVE DATE:** July 11, 1980

Last Amended: July 12, 1982